UNITED
NATIONS

E

Economic and Social
Council

Distr.
GENERAL

E/CN.4/Sub.2/1998/8
10 June 1998

ENGLISH
Original: SPANISH

COMMISSION ON HUMAN RIGHTS
Sub-Commission on Prevention of
Discrimination and Protection
of Minorities
Fiftieth session
Item 4 of the provisional agenda

THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS

The relationship between the enjoyment of human rights, in particular economic, social and cultural rights, and income distribution

Poverty, income distribution and globalization: A challenge for human rights

Addendum to the final report prepared by
Mr. José Bengoa, Special Rapporteur

Introduction

1. For three years the Sub-Commission on Prevention of Discrimination and Protection of Minorities has renewed the mandate of the Special Rapporteur to analyse the relationship between the full enjoyment of human rights, in particular economic, social and cultural rights, and income distribution, at both national and international levels (Sub-Commission resolution 1994/40 and Commission on Human Rights decision 1995/105). The Special Rapporteur was requested to pay particular attention to poverty and extreme poverty and to take education and the right to development into account in dealing with these matters. A preliminary, conceptual report (E/CN.4/Sub.2/1995/14), a second provisional report (E/CN.4/Sub.2/1996/14) based on empirical data on income distribution worldwide, and a final report (E/CN.4/Sub.2/1997/9), which primarily analyses the challenges posed by globalization to human rights, and in particular, to the full enjoyment of economic, social and cultural rights, were submitted. The last-mentioned report has still not been discussed by the Sub-Commission, which in its decision 1997/107, decided "to postpone to its fiftieth session the presentation by Mr. Bengoa of his final report" and

requested him "to complete his report by preparing a supplementary document on this issue". The Sub-Commission also decided "to give full consideration at its fiftieth session to the recommendation contained in the final report concerning the establishment of a social forum within the framework of the Sub-Commission".

2. Between the forty-ninth and fiftieth sessions, the Special Rapporteur was invited to numerous seminars, round tables and academic debates on the topics covered by his three reports. A round table convened by the High Commissioner for Human Rights was established within the framework of the Commission on Human Rights in Geneva, which dealt particularly with the proposal for a social forum. Various international organizations, including the International Service for Human Rights and the United Nations Non-Governmental Liaison Service, convened a seminar on "Globalization, Income Distribution and Human Rights" with the participation of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and specialized agencies, at which the final report was extensively discussed. The Comparative Research Group on Poverty (CROP), part of the International Social Science Council, in conjunction with the Latin American Association of Development Organizations (ALOP) and the SUR Centre for Social Studies in Santiago de Chile, organized a week-long seminar on "Human Rights as an Instrument for the Eradication of Extreme Poverty", in which numerous United Nations organizations (the Office of the High Commissioner for Human Rights), as well as international and national non-governmental organizations (NGOs), participated. Many of the Special Rapporteur's proposals made to the Sub-Commission in his final report were discussed at this seminar. The International Commission of Jurists invited the Special Rapporteur to speak on this question at its general assembly, held in July 1998, in Capetown, South Africa.

3. The purpose of this supplementary report is to summarize the operative parts of the previous reports and to supplement the recommendations contained in the final report, with particular reference to the proposed social forum.

I. INCOME DISTRIBUTION AND GLOBALIZATION: GENERAL CONCLUSIONS

4. The general conclusion of this study is that the growth in the world economy since 1987 - that is, since the end of the cold war - has been accompanied by a marked negative distribution of income at both the international and the national level. 1/ Growing inequality is the social characteristic of our era. The rich countries continue to accumulate ever-greater wealth and rich people within these countries also beccme increasingly rich, producing a growing gap between rich and poor, whether they be countries, regions, groups of people or individuals. This is why the world has become increasingly concerned with the issue in recent years, and numerous studies and consultations have been undertaken in which increasing alarm on the part of international academics, politicians and analysts has been observed. As stated in the final report, the globalized capitalist economic growth of the past 10 years has produced social consequences consisting of two simultaneous phenomena: the concentration of wealth, and social exclusion. Countries' areas and entire regions of the world have been excluded from the tempo of growth, technological change and dizzying transformations to be found today. There are areas, urban zones and especially rural zones, and sometimes

even entire regions of countries, which are a part of the third or fourth world and are excluded from the benefits of economic growth; other areas, on the other hand, are becoming "globalized" and internationalized, and are benefiting from economic growth, constituting first world enclaves in "thirdworldized settings". The emergence of third or fourth world enclaves within developed countries is yet another new and disturbing phenomenon which characterizes the new period of globalized capitalist development. The social consequences of this type of development are serious and of increasing concern to Governments.

5. The second conclusion to be drawn from the empirical data analysed during the three years of the Special Rapporteur's mandate is that bad distribution of income is always linked to poverty. 2/ As is well known, there is absolute or extreme poverty, and general poverty, also called relative poverty. When income distribution begins to be concentrated in the hands of the few, relative poverty increases, as does extreme poverty. This happens in both developing and developed countries, and it has been measured in the reports of the Special Rapporteur. From the findings of these studies it is also evident that in traditionally very poor countries that are agrarian and peasant societies, income distribution is not necessarily inequitable, which is not in itself a reason to refute the general conclusion. Global data frequently do not record the concentration of land, wealth and prestige in this type of traditional society. They do, however, show that in those societies and countries in the process of modernization or already developed, changes in income distribution are very sensitive and have an immediate impact on the spread of poverty, both relative and absolute.

6. The third conclusion from our work is that bad income distribution, when accompanied by economic growth, causes explosive social situations. The main integrating element of society is lost when there is great economic growth and bad distribution of wealth. Young people in particular lose confidence in the value of democracy; many disadvantaged, impoverished or discriminated sectors of the population see their commitment to democracy weaken, and the political system loses its effectiveness. Societies and social groups become increasingly vulnerable, creating a situation of uncertainty and social instability. The emergence of authoritarian, undemocratic political forms, chauvinistic nationalist movements, new forms of xenophobia, hatred of migrant workers, and other manifestations are the direct consequences of this type of development.

7. It can be concluded from the foregoing that bad distribution of goods and, consequently, inequitable distribution of opportunities and even the perception of irrational inequalities, in a world of increasing intercommunication, with instantaneous knowledge of what is happening in other parts of the planet, is neither psychologically nor politically acceptable for the majority of people as the century draws to an end. A feeling of impotence and despair erupts spontaneously among young people, giving rise to numerous conflicts and social ills. Many "social diseases" affecting the modern world have their origins in this new type of unequal economic relations both within individual societies and between nations. This is the underlying explanation of crime, drug traffic and drug abuse, and traffic in persons, and it must be taken into account in any policy seeking to identify the roots of current social problems.

8. The fourth conclusion of the study is that income distribution is therefore very closely linked to the full enjoyment and realization of human rights. It is in this connection that our reports state that persistently bad distribution of income is also the cause of persistent violations of human rights and economic, social and cultural rights in particular. We have therefore concluded that when there are "intolerable degrees of income inequality" in which a minority appropriates a substantial part of national (or international) wealth, that constitutes a violation of human rights, because of the social, moral and political consequences. An economic, political or other minority can provoke enormous social violence if, in the face of economic growth, the acquisition of economic gains and concentration of economic power means of distribution are not applied which can keep society integrated and prevent the brutal exclusion of some sectors from the minimum benefits to which all human beings are entitled. This conclusion is based on the very nature of the Universal Declaration of Human Rights, which proclaims mutual solidarity among all human beings and among countries, which together make up the theoretical and political concept of the "international community". Distribution of the benefits of economic growth is not only a charitable grant by persons, groups or countries of goodwill, but is fundamentally an obligation constituted by the inherent rights of persons, groups and countries, as set forth in international agreements and treaties. Growth with negative income distribution at a level considered "intolerable" - that is, one which endangers human life and human rights - constitutes a violation of the norms of national and international coexistence and therefore of the rights of persons.

9. The fifth conclusion is that income distribution should become an economic and social indicator to be used by the World Bank, the International Monetary Fund (IMF), UNDP and other international agencies, both public and private, in their analyses of international cooperation, investments, trade and relations among countries and institutions. Just as they have for many years used monetary indicators, inflation levels, public debt, a balanced national budget, etc. for granting credit, making investments and establishing development and cooperation programmes, they should also use income distribution as an indicator, bearing in mind that bad income distribution causes much greater instability than many conditions shown by macroeconomic and financial indicators. The conclusion of the report is that the income distribution indicator appropriately refers to the manner in which relations between various groups within a society are constituted. Income distribution by household makes it possible to determine whether there is adequate social integration in a given country. Income distribution by region shows us whether there is a spatial distribution of resources or whether a particular area or zone of the country has been marginalized and excluded. On the level of international relations, both indicators tend to be very useful and for this reason are increasingly utilized by specialized bodies. 3/

II. MODERN POVERTY IN "GLOBAL CAPITALISM"

10. The majority of third world countries have had to adjust their national macroeconomic policies to the demands of global capitalism. The 1980s, which in many regions was dubbed the "lost decade" for economic development, was replaced by the decade of structural adjustments. Guided by the hand of the IMF and free trade agreements, the countries of Latin America, Africa and

Asia, with some well-known exceptions, put order into their financial accounts, privatized most of their industries and activities that had previously been in State hands, and opened up foreign trade to free market forces. Frequently the costs of this "structural adjustment" process were high rates of domestic unemployment, a decline in social spending, impoverishment of a large part of the population, concentration of income and profits in the hands of a small group within the country and internationalization of economic activities. 4/ All countries have eagerly sought to attract foreign investment and find export products that will enable them to rejoin the global markets. As indicated in the previous reports, countries are often competing among themselves to offer the greatest advantages to foreign investment. Until now, these advantages have usually occurred in three spheres: (a) deregulation of the labour markets, which makes it possible for firms located in the host country to reduce their costs, (b) deregulation or not putting up further obstacles to, natural resource development, and the use of legislation with low environmental standards so as to offer "comparative advantages" to international firms based in the country, and (c) the provision of financial facilities, enabling rapid and unhindered repatriation of capital and profits, low levels of bank "reserves" for financial investments and transfers, and customs and tax concessions. Many third world countries are subsidizing transnational companies with these mechanisms.

11. The consequences for poor countries and for poor people in general of this type of globalized development have been serious. All the reports of the United Nations system agree that the number of poor people in the third world has risen in recent years and that poverty is acquiring increasingly permanent dimensions. The term "hard poverty" is today applied to the sector of the population living in conditions of extreme hardship and whose ability to change the situation is very limited. Generally what happens in this sector of hard poverty is that the people adopt a "survival culture", subsisting as best they can on the edge of all commonly accepted systems and norms. The requirements of subsistence mean that they must adapt to very difficult conditions of exclusion, extreme poverty and mendicity, if not delinquency. Some recent studies and reports cite the numbers of persons in both developed and developing countries living on "public charity", especially, and increasingly, on aid from private charitable organizations.

12. There are two very distinct phases in the processes of absorption and reduction of poverty. Countries that have carried out structural adjustments have generally endured a long period of imbalance with high redundancy and unemployment rates. Once the macroeconomic indicators have stabilized, which is the first and foremost goal of the adjustments, a period or stage of economic recovery begins. These processes can be observed on almost every continent. The late 1990s are characterized by the relative normalization of macroeconomic balance, with well-known exceptions in Asia, and by historically high levels of market activity on a much more intense level of international integration. The structural adjustment period has been studied extensively by the United Nations system and is not the main subject of this report. We call the period which follows it "the 'easy' stage of poverty alleviation" and the third period, "the 'difficult' stage of poverty alleviation".

A. The "easy" stage of poverty alleviation

13. It has been demonstrated that, initially, the poorest sectors of the population benefit from measures that ensure fiscal equilibrium and market openness. Two factors improve the situation of these groups: the increase in the number of jobs resulting from reactivation of the economy, and the decline in inflation, which has a less negative effect on the income of the poorest sectors. The "easy" stage of poverty alleviation is the one that accompanies economic growth - that is, via salaries and employment, the entire success of the programme. It coincides with a period of economic reactivation in labour-intensive sectors, such as housing construction and public works. In Latin America, those countries that carried out rigorous structural adjustments in the 1980s and early 1990s have followed this pattern. It is initially a period when people join the labour market, in informal activities and on their own account, but after the first years of relative success, there is ever greater difficulty in incorporating and integrating new sectors of the population.

14. Indicators of poverty and destitution show that this "easy" stage of combating the statistical-mathematical indicators of poverty comes to a rapid conclusion once the new realignment system has been established. 5/ In most third world countries 6/ this was the period that began in the late 1980s and accelerated in the early 1990s with the thrust towards democracy and the social policy measures adopted and very frequently recommended by the World Bank. The social sector created by these measures is not the marginal or excluded sector per se, which cannot be called upon for production or activity without prior preparation or training. The macroeconomic realignment measures do not affect "extreme poverty", which is maintained outside the system and intensifies even more with the lack of opportunity.

15. The labour force that left production during the structural adjustment period re-enters the labour market under worse conditions of stability, salaries and job security. This phenomenon has been observed in all the studies conducted on a number of continents. The deterioration in working conditions generally goes hand in hand with the privatization of State enterprises, a reduction in the number of jobs in the State system and legislation, regulations and mechanisms intended to "flexibilize" labour markets. 7/

B. The "difficult" stage of poverty alleviation

16. Many countries that have become integrated into "global capitalism" have moved from the "easy" to the "difficult" stage of poverty alleviation. The "easy" stage corresponds to the post-adjustment period, and the "difficult" stage to that which follows. "Global capitalism" has had answers for the "easy" stage. Fiscal organization and macroeconomic balance policies have been the only measures applied in recent years in all parts of the world. However, there are no programmes which justify the assertion that the new integration of developing countries into this internationalized system will dissolve the existing hard core of "extreme poverty". Much bolder measures are required for that, without which it will not be possible or simply will not appear possible to attain the basic objectives of equity and poverty elimination.

17. The principal characteristic of modern poverty is that on the one hand the production and economic system does not have the capacity to absorb the traditional sectors, especially the rural ones, while on the other hand it creates new categories of poor people in sectors which had previously been relatively well integrated. This is the new face of poverty today. In the 1950s and 1960s, poor people in developed countries congregated around traditional primary activities, particularly agriculture, nineteenth-century forms of mining (such as coal) and other traditional sectors of the same type. Poverty in third world countries was directly associated with rural or marginal urban areas, among recent migrants to the cities. Things are not happening the same way in the 1990s. The economic system which depends on global capitalism to change systems of production, delocalize economies and industries and effect major transformations of markets is also becoming a new source for the creation of poverty. There are more poor people. These poor people are the result of the development of global capitalism; they are poor as a result of globalization. To them must be added the "traditional poor" who have not been absorbed into the modern era and who survive under traditional conditions of basic subsistence.

18. In many parts of the world women's participation in labour and frequently also that of children is the response to these widespread phenomena. Generally, their participation takes place under the most deplorable conditions. Seasonal work, irregular pay, work schedules incompatible with health and the lack of labour contracts are increasingly associated with economic delocation and the so-called flexibility of labour markets. 8/ This is why we are hearing nowadays about the "feminization of poverty", which means that women make up the bulk of the poor. This is one of the most marked trends of what is referred to as "modern poverty".

19. There is a strong contradiction between economic policy and social policy in most countries. A breach has developed between the two domains. Economic policy is considered to comprise all the measures aimed at regulating the economy in accordance with the criteria of global capitalism. Social policies, on the other hand, are intended to protect people in such areas as health, education and housing, or what are called the social spheres. However, as more than one author has pointed out, economic policy leads to the exclusion of many people, and the State, through its social policies, is responsible for attempting to reintegrate them into society. Nonetheless, this integration, if it is not achieved through the economy itself, for example by obtaining jobs of equal or better quality, is only partial and generally inadequate. This contradiction, which can be observed in both developed and developing countries, is perhaps of greater relevance in the period we have called the period of "global capitalism": the economy adopts its own rules and rhythms of decisions, while the "social sphere" tries to resolve the problems and conflicts generated by the economy.

20. Given this contradiction, a new phenomenon can be observed: "the privatization of poverty". A large number of private organizations come into being daily in an attempt to solve the problems of poverty that affect increasing numbers, while the State progressively withdraws from its social or cooperation functions. The massive appearance of these aid and charity organizations is the consequence of the "autonomization of the economy", of the economic decisions and actors operating on the economic scene. This

sector, called the "tertiary sector", is a new player in international social policies, and it is extremely important that it should be taken into account. There are global assistance and cooperation organizations that raise even more resources than national Governments in the field of international cooperation: in many third world nations, their activities are central to the analysis of policies concerned with poverty, its elimination and development issues.

III. A RETHINKING OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS

21. Globalization would appear to be a characteristic of contemporary economic and social life. Now that the most advanced stage of adjustment policies is over, economies wish to open up to the large globalized markets. Free trade agreements are being signed everywhere. Communications are intensifying. The media transmit a mass of information so difficult to understand that it is often asked whether we are better informed now than in the past. National Governments have made repeated efforts to open their societies and their economies. Each country would like to enter the twenty-first century without remaining isolated or alone. Not to participate in globalization in all its many aspects today appears a defeat, remaining behind, removed from the world, and being condemned to backwardness and underdevelopment.

22. There are, however, various simultaneous processes of globalization, which is why we must speak of "globalizations". The globalization of communication powers, the internationalization of economies and the laws of the global market are also accompanied by a number of other processes of globalization which should be considered. This is why, nowadays, and in the present report, the expressions "top down" and "bottom up" globalization are used. There has also been reference at recent social summits, to the "globalization of States and globalization of civil society". There is no doubt that civil society is becoming increasingly globalized. Social organizations, social movements and social and political life itself are also becoming more and more internationalized. Indigenous leaders meet frequently to map out and prepare global strategies. Women form large networks, hold meetings for exchanging and discussing experiences and they have increasingly globalized objectives. Environmental protection organizations are increasingly international, as they are discovering that the problems they deal with affect "planetary ecology". The Internet communicates "top down" and "bottom up", hosting the propaganda of major businesses and globalized civil society.

23. This new global environment is undoubtedly making many people afraid. There are those who mourn a smaller, more compartmentalized and manageable world. The forces of the globalized market seem to leave no room for local, national or even regional economic policies. The exercise of global economic power by transnational corporations and bodies constitutes an ongoing violation of local autonomy, with major consequences on entire world regions. There are those, on the other hand, who believe that globalized markets are the only solution and alternative to current societies, if measures are not taken to ensure balanced development and integration. This is why, as was stated above, we are witnessing the "globalization of poverty", perhaps the most striking consequence of the process now under way. The breakdown of national safety nets has led to growing inequalities. As societies become

globalized they seem to break up from within. They blur into one sector, admittedly small, which quickly and enthusiastically takes part in the benefits of globalization, while another sector, generally quite numerous, receives only the disadvantages of these processes. The last eight years of the 1990s have been marked by the growing polarization of the social, economic and cultural scene.

24. The globalization of poverty leads to awareness of the "globalization of rights". This is the contradictory nature of globalization. Such things as trade and information are globalized from the top down, while rights are globalized from the bottom up. Poor people and poor countries observe social differences on their television screens and listen to egalitarian messages, bringing about increased globalization both of aspirations and of "standards". Ethical boundaries surpass the narrow limits of a given place, nation or region. This is the context, and the challenge, in which economic, social and cultural rights must now be analysed. The Covenant that gave these rights legal value at the international level is a good, basic framework for analysing the globalization of economic, social and cultural rights.

IV. FROM INTRINSIC RIGHTS TO GLOBALIZED RIGHTS

25. Economic, social and cultural rights clearly emerged in a context different from that of the world of today. It was the post-war globalization period. As is well known, the greatest globalization of the century occurred with the Second World War. It was given that name because it signified the globalization of horror. Governments were traumatized by humanity's capacity for violence during the war. A generation of world leaders were marked by the experience of the death camps. The Universal Declaration of Human Rights and the International Covenants on Civil and Political and Economic, Social and Cultural Rights appeared as a way of defending the post-war world. It was a world in which two social, political and cultural regimes co-existed - two forms of "democracy". The International Covenant on Civil and Political Rights was in keeping with the western interpretation of democracy, while the International Covenant on Economic, Social and Cultural Rights adhered to the vision of centrally planned economies in terms of what was meant by economic and social democracy. For some, electoral democracy and the rights of the citizen were paramount, while, for others, the economic rights of individuals and economic equality held pride of place. These two different emphases polarized the planet for 40 years and undoubtedly prevented or slowed down the broader processes of globalization under way in both parts of the world. Since those barriers were destroyed - literally, in the famous case of the Berlin Wall - there have been no further obstacles to the processes of globalization, which have resurfaced in an uncontrolled and apparently uncontrollable fashion.

26. Are economic, social and cultural rights intrinsic rights? This is the question that many have asked and continue to ask. Who is obliged to observe those rights? According to the Covenant, it is States that should do so, "to the extent possible". This qualification has led some people to think that these are not rights. According to some legal doctrines, a right that is not enforceable is not a fully constituted right, but is only an aspiration. Many

therefore wonder whether, rather than rights, they are not a sort of a declaration of aspirations to which States have adhered without much will to observe them.

27. Irrespective of any historical interpretations of their emergence, economic, social and cultural rights created a set of fundamental principles that enabled people to be part of humanity with dignity. To enjoy a roof over one's head, food, shelter, work, health, education and culture is basically what it means to be part of humanity today. These conditions constitute inalienable rights. Even though in many places these rights are apparently unattainable for large numbers of people, nothing and no one can take away their humanity and therefore their acquired rights. Economic, social and cultural rights establish the "ethical boundary" between living as human beings and not living as human beings.

28. Economic, social and cultural rights therefore take on a new dimension in the globalization process. They should constitute the set of basic rights which determines the limits of globalization. From those limits arises the principle of violation. This is a basic principle that has been dealt with by the Special Rapporteur. The existence of economic, social and cultural rights means the existence as well of violations of those rights. Persons have their rights violated. Lack of education, early school leaving and structural poverty are not only general ethical issues but also violations of the human rights proclaimed by international law. In our globalized world, economic, social and cultural rights constitute a common legal-ethical code, solemnly ratified by many countries, which makes it possible to determine where and how human rights are violated. It is a fertile principle for contributing to the globalization of civil society - the vision of poor people as to their rights. If there ever were intrinsic declarative rights, it is the very process of market integration which is transforming them into a global code, within the global system of basic human rights.

29. The existence and the violation of globalized rights leads to consideration of enforceability and impunity, an issue of great importance, which has been analysed among others in Mr. Guissé's 1997 report to the Sub-Commission (E/CN.4/Sub.2/1997/8). Very few people still believe that economic, social and cultural rights can be enforceable. Even fewer consider impunity in the context of economic, social and cultural rights. This is why the great legal, political and ethical challenge for the next century should be the codification and enforceability of human rights in an internationalized market. Rights, violation, enforceability and impunity are four key concepts for establishing a universally acceptable ethical and legal framework to make globalization a human process and not, as so many have observed, a chaotic process, in which the few receive the benefits and millions and millions of human beings are forever condemned to humiliating conditions of misery.

V. SOCIAL FORUM

30. Despite its central responsibility in the realization of economic, social and cultural rights, the State is neither the sole agent nor the sole actor on the economic and social scene. The globalization of economic, social and cultural relations calls for new outlooks. The State and its organs are the principal actors operating in the global market. Others are the

international organizations. Transnational corporations, trading and financial enterprises as well as numerous other actors are emerging as an inseparable part of globalization. No less important are the private cooperation agencies that provide assistance to the poor and reflect international solidarity. There is a growing need to create "codes of conduct" or "ethics of globalization" in order to assign responsibilities in this difficult but indispensable field. The ingenuous belief that fate delights in viewing the terrible and growing misery in which children and people are living in third world countries and that their condition does not respond to logic or reason. It is not a force external to ruling power systems that takes the decisions which affect different regions of the world. Beyond the poverty of millions in the third world, there is not only the enormous wealth of a few thousand but also the corruption of many State authorities, the failure of State mechanisms and services to discharge their functions, the unregulated and uncontrolled presence of transnational corporations and companies, the authoritarian and unconsidered operation of international financial institutions, and the frequently futile action of organizations and institutions which are well-intentioned but which do not coordinate their activities in a stable and sustained manner.

31. This is why the main practical recommendation of this study on income distribution and human rights is to establish a Social Forum with the participation of States; international financial institutions, particularly the World Bank and IMF; international development and cooperation agencies; NGOs devoted to development and action, especially in the third world; and also, perhaps, banks and international private corporations, which, after listening to and taking part in the debates, might see the interest of taking economic, social and cultural rights into account in their policies, as in some cases they have already done with the environment and ecology. It is very important that development NGOs, international cooperation agencies and charitable foundations participate in the Social Forum, as they are acquiring ever greater relevance in relations between north and south, as a part of the growing "privatization" of cooperation. The Commissioner for Human Rights will have a special role to play in the Social Forum. 9/

Notes

1/ Income distribution is technically used as the preferred term to indicate the manner in which wealth is distributed among a country's households. It is a statistical measurement which, after establishing the total national product, divides it by the total number of households. We have used the system of measuring the ratio of the top (or wealthiest) 20 per cent of households to the bottom (or poorest) 20 per cent. Reference should be made to the final report. The use of the concept of income distribution at the international level is less orthodox, but we have used it, perhaps stretching the concept somewhat, insofar as it was required by the mandate.

2/ There is a long theoretical debate on the link between income distribution and poverty. Some authors emphatically deny the link. This issue is discussed in the second report and is covered in the bibliography of the final report. It is not the purpose of this type of report to engage in theoretical debate, but this argument is frequently used to deny the political importance of the relationship.

3/ See UNCTAD's Trade and Development Report 1997, which refers in detail to the issue, and identifies such a trend.

4/ The Special Rapporteur's second report provides figures on the behaviour of health, education and housing expenses and compares them with relative spending on arms and defence. In this report and the others, a bibliography indicates the basis for the assertions made.

5/ In accordance with the guidelines of the World Bank, persons living below the destitution line are those living in households without sufficient income to purchase a basic food basket, that is, to feed themselves. Persons living below the poverty line, on the other hand, are those living in households without sufficient income to meet their basic needs. The necessary income is normally calculated as equivalent to twice the cost of the basic food basket, with a poor family estimated to spend 50 per cent of its income on food and the other 50 per cent on clothing, housing, heating and other basic needs for survival.

6/ The sources of information on which these general theoretical-political conclusions are based are primarily the annual reports of the World Bank and UNCTAD reports. See in particular the Trade and Development Report for the years 1995, 1996 and 1997. In recent years we have been directly involved in the preparation of UNDP reports on the quality of human development, the sustainability of social policies and the conditions of poverty.

7/ See final report.

8/ The complaints and communications submitted to the Sub-Commission at its forty-ninth session are proof of the points made here.

9/ See document E/CN.4/Sub.2/1997/9, paragraphs 92-98.